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December 9, 2003

VIA COURIER

FCC/MELLON

DEC 09 2003

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
P.O. Box 358145
Pittsburgh, PA 15251-5145

Re: Application of MCG Capital Corporation, BridgeCom International, Inc. and TruCom Corporation For Section 214 Authority to Transfer Control of Authorized Domestic Carriers

Dear Ms. Dortch:

On behalf of Yipes MCG Capital Corporation ("MCG"), BridgeCom International, Inc. ("BridgeCom") and TruCom Corporation ("TruCom") (together the "Applicants"), please find an original and six (6) copies of an application for Commission approval to transfer control of BridgeCom and TruCom to MCG. Applicants have sought authority to transfer control of the international Section 214 authority held by BridgeCom and TruCom to MCG under separate cover.

Enclosed, please find a check in the amount of \$860.00 to cover the Commission's filing fee. Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,



Catherine Wang
Edward S. Quill, Jr.

Counsel for Applicants

Enclosure

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of the Application of)

MCG CAPITAL CORPORATION,)

BRIDGECOM INTERNATIONAL, INC.,)

And)

TRUCOM CORPORATION)

For Grant of Authority Pursuant to)
Section 214 of the Communications Act of)
of 1934 and Sections 63.04 and 63.18 of the)
Commission's Rules to Complete a)
Transfer of Control of Authorized International)
and Domestic Interstate Carriers)

File No. ITC-T/C-2003 _____

WC Docket No. 03- _____

JOINT APPLICATION

I. INTRODUCTION

A. Summary of Transaction

MCG Capital Corporation ("MCG"), BridgeCom International, Inc. ("BridgeCom") and TruCom Corporation ("TruCom," together with MCG and BridgeCom "Applicants"), pursuant to Section 214 of the Communications Act, as amended, 47 U.S.C.A. § 214, and Sections 63.04 and 63.18 of the Commission's rules, 47 C.F.R. §§ 63.04 & 63.18, respectfully request authority to transfer indirect control of BridgeCom and TruCom to MCG. In particular, MCG has entered into an agreement with BridgeCom Holdings, Inc. ("Holdings"), the parent company of BridgeCom and TruCom, through which Holdings will become a subsidiary of MCG. As a result of this transaction, BridgeCom and TruCom will become indirect

subsidiaries of MCG. Because the proposed transactions will all be completed at the holding company level and will not affect the rates, terms or conditions under which BridgeCom and TruCom provide service, the proposed transactions will be entirely transparent to end user customers in terms of the services they receive.

B. Request for Expedited Consideration

Although the proposed transactions will not change the services provided to BridgeCom's or TruCom's customers, Applicants expect that the proposed transactions will improve their business operations. Specifically, MCG is financially qualified to take control of BridgeCom and TruCom. In addition, although most of the existing management of BridgeCom and TruCom is expected to continue to oversee on-going operations, following the proposed transactions, BridgeCom and TruCom will also have access to MCG's well-qualified management team. Indeed, as described below, MCG has already been found qualified to own, control and oversee the operations of other regulated telecommunications carriers. As a result, Applicants submit that the proposed transactions will provide BridgeCom and TruCom access to significant additional resources which will inure to the benefit of their respective customers. Accordingly, Applicants respectfully requests that the Commission approve this Application expeditiously to allow the proposed transactions described herein to be consummated as soon as possible.

C. Application Eligible for Streamlined Processing

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 and 63.12 of the Commission's Rules, 47 C.F.R. §§ 63.03 & 63.12. With respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transactions, (1) Applicants and their

affiliates (as defined in Section 3(1) of the Communications Act – “Affiliates”) combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) Applicants and their Affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of which are parties to the proposed transactions) and; (3) none of the Applicants or their Affiliates are dominant with respect to any service. With respect to international authority, this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission’s Rules, 47 C.F.R. §63.12(a)-(b). In particular, Section 63.12(c)(1) is inapplicable because none of the Applicants are or are affiliated with any foreign carriers and none of the scenarios outlined in Section 63.12(c) of the Commission’s Rules, 47 C.F.R. § 63.12(c), apply.

In support of this Application, Applicants provide the following information:

II. THE APPLICANTS

A. BridgeCom International, Inc.

BridgeCom International, Inc. (“BridgeCom”) is a Delaware corporation with offices located at 115 Stevens Avenue, Third Floor, Valhalla, New York 10595. BridgeCom is a wholly owned subsidiary of BridgeCom Holdings, Inc. (“Holdings”), a private Delaware corporation.

BridgeCom provides competitive local exchange services primarily in the mid-Atlantic and Northeast regions along with interexchange services in approximately twenty states. BridgeCom is authorized to provide interstate services pursuant to blanket domestic Section 214 authority and to provide international services pursuant to Section 214 authority granted in File No. ITC-97-640, effective December 5, 1997. Further information regarding BridgeCom

has been previously been submitted to the Commission, is therefore a matter of public record, and is incorporated herein by reference.

B. TruCom Corporation

TruCom Corporation ("TruCom") is a New York corporation which also has offices located at 115 Stevens Avenue, Third Floor, Valhalla, New York 10595. TruCom is a sister company to BridgeCom and, like BridgeCom is a wholly owned subsidiary of Holdings.

TruCom is authorized to provide interexchange and competitive local exchange services in New York and New Jersey. TruCom is authorized to provide interstate services pursuant to blanket domestic Section 214 authority and to provide international services pursuant to Section 214 authority granted in File No. ITC-97-682, effective December 26, 1997. Further information regarding TruCom has been submitted previously to the Commission, is therefore a matter of public record, and is incorporated herein by reference.

C. MCG Capital Corporation

MCG Capital Corporation ("MCG") is a corporation formed under the laws of the State of Delaware with principal offices located at 1100 Wilson Boulevard, Suite 3000, Arlington, Virginia 22209. MCG is a publicly held financial services company (traded on the NASDAQ under the MCGC symbol) that provides financing and advisory services to a variety of small to mid-sized communications, information services, media and technology companies throughout the United States.

MCG is well-qualified managerially, technically and financially to own and control BridgeCom and TruCom. MCG possesses the managerial qualifications necessary to oversee the operations of BridgeCom and TruCom. In particular, MCG already holds or has held interests in a number of telecommunications companies, including Essex Acquisition Corp.,

Biznessonline.com, Inc., Manhattan Telecommunications Group, and nii communications, Inc. MCG's continuing involvement in overseeing the regulated ownership of these companies has provided MCG's management team with extensive management experience.

Moreover, MCG has access to extensive financial resources. As of year end 2002, MCG had total assets of more than \$744 million, including financial investments of more than \$676 million, with total liabilities of approximately \$384 million. MCG has positive shareholders' equity of more than \$360 million and had net income in 2002 of \$3.2 million, including operating income of more than \$76 million. Information regarding MCG's financing and results of operations can be found in MCG's 2002 Annual Report available on line at: <http://investor.mcgcapiatl.com/> and is incorporated herein by reference.

III. DESCRIPTION OF THE TRANSACTIONS

MCG and Holdings have proposed to complete a series of transactions ("Transactions") whereby Holdings will become a subsidiary of MCG and, as a result, BridgeCom and TruCom will become indirect subsidiaries of MCG. In particular, Applicants have proposed that a recently established merger subsidiary that will be wholly owned by a subsidiary of MCG, MCG Intermediate Holding, will be merged with and into Holdings. In connection with that proposed merger, each share of stock of Holdings will be converted into the right to receive a portion of the purchase price. Following the Transactions, MCG will indirectly own all of the stock of the merged company except for certain minority interests that are expected to be acquired by and/or granted to management and certain other employees of Holdings.¹

In order to complete the proposed Transactions, MCG, which currently holds certain equity and senior debt investments in Holdings, and Holdings have entered into an Agreement

¹ None of the minority ownership interests acquired by such employees are expected to exceed ten percent (10%) of the merged company.

and Plan of Merger dated as of November 26, 2003 ("Agreement"), which provides that the aggregate purchase price to be paid by MCG to BridgeCom's shareholders is approximately \$37 million, subject to certain adjustments. An illustrative chart of the proposed transactions is provided in Exhibit A.

Because the proposed Transactions will be completed as a stock transaction at the holding company level, Applicants expect that the proposed Transactions will be virtually transparent to BridgeCom and TruCom and entirely transparent to their respective customers in terms of the services that those customers receive. Following the proposed Transactions, BridgeCom and TruCom will remain wholly owned subsidiaries of Holdings. Given that the direct ownership of BridgeCom and TruCom will remain unchanged and that no change in the assets, operations or rates, terms or conditions of service of BridgeCom and TruCom, the proposed Transactions are not expected to create any change in the day-to-day operations of BridgeCom or TruCom or directly affect any end user customers or the services they receive.

IV. PUBLIC INTEREST STATEMENT

MCG's indirect acquisition of BridgeCom and TruCom through MCG's acquisition of Holdings, serves the public interest in promoting competition among domestic and international telecommunications providers by providing BridgeCom and TruCom access to the financial and operational resources required to strengthen their positions in the telecommunications marketplace. The proposed transactions will ensure that BridgeCom and TruCom will continue to have access to the financial resources they need to expand and implement their business strategies while continuing to provide high quality services to existing customers. Moreover, the proposed transactions will allow Applicants to combine their complementary management teams to create companies better equipped to accelerate their growth as competitive

telecommunications service providers. In sum, the proposed transactions are expected to enhance the ability of BridgeCom and TruCom to provide high quality telecommunications services which should invigorate competition and thereby benefit consumers of interstate and international telecommunications services.

Given the increasingly competitive nature of the interstate and international telecommunications markets, Applicants are seeking to complete the proposed transactions as soon as possible to ensure that Applicants can obtain rapidly the benefits of the proposed transactions. Accordingly, Applicants respectfully request that the Commission process, consider and approve this Application as expeditiously as possible.

V. INFORMATION REQUIRED BY SECTION 63.18

Pursuant to Section 63.18(e)(3) of the Commission's rules, the Applicants submit the following information in support of this Application:

(a) Name, address and telephone number of each Applicant:

Transferee:

MCG Capital Corporation
1100 Wilson Boulevard
Suite 3000
Arlington, Virginia 22209
Telephone: (703) 247-7500

Licensees:

BridgeCom International, Inc.
TruCom Corporation
115 Stevens Avenue, Third Floor
Valhalla, New York 10595
Telephone: (914) 742-5589

(b) Jurisdiction of Organizations:

Transferee: MCG is a corporation organized and existing under the laws of the State of Delaware.

Licensees: BridgeCom is a corporation organized and existing under the laws of the State of Delaware.
TruCom is a corporation organized and existing under the laws of the State of New York.

(c) Correspondence concerning this Application should be sent to:

For Transferee:

Catherine Wang
Edward S. Quill, Jr.
Swidler Berlin Shereff Friedman, LLP
3000 K Street NW
Suite 300
Washington, DC 20007
(202) 424-7500 (Tel)
(202) 424-7645 (Fax)
CWang@swidlaw.com (E-Mail)
ESQuill@swidlaw.com (E-Mail)

For Licensees:

Charles Hunter
BridgeCom International, Inc.
TruCom Corporation
115 Stevens Avenue, Third Floor
Valhalla, New York 10595
(914) 742-5589 (Tel)
(914) 742-5818 (Fax)
chunter@bridgecom.com (E-Mail)

- (d) TruCom is authorized to provide facilities-based and resold international services pursuant to Section 214 authority granted in File No. ITC-97-682, effective December 26, 1997. BridgeCom is authorized to provide resold international services pursuant to Section 214 authority granted in File No. ITC-97-640, effective December 5, 1997. Both BridgeCom and TruCom also hold blanket domestic Section 214 authority. MCG does not directly hold any Section 214 authority.
- (e) Pursuant to Section 63.18(e)(3), the Applicants seek authority for MCG to acquire control of BridgeCom and TruCom, both of which are nondominant common carriers holding international and domestic Section 214 authorization.
- (f) Not applicable.

- (g) Not applicable.
- (h) Following the completion of the proposed transactions, the following entities will directly or indirectly own 10% or more of Applicants:

The following entity will own ten percent (10%) or more of the equity of **BridgeCom International, Inc. and TruCom Corporation:**

Name: BridgeCom Holdings, Inc.
Address: 115 Stevens Avenue, Third Floor
Valhalla, New York 10595
Citizenship: U.S.
Principal Business: Holding Company
% Equity: 100%

The following entity will directly own ten percent (10%) or more of the equity of **BridgeCom Holdings, Inc.:**

Name: MCG Intermediate Holding
Address: 1100 Wilson Boulevard
Suite 3000
Arlington, Virginia 22209
Citizenship: U.S.
Principal Business: Holding Company
% Equity: 100%

The following entity will directly own ten percent (10%) or more of the equity of **MCG Intermediate Holding:**

Name: MCG Capital Corporation
Address: 1100 Wilson Boulevard
Suite 3000
Arlington, Virginia 22209
Citizenship: U.S.
Principal Business: Holding Company
% Equity: 100%

The following entity will directly own ten percent (10%) or more of the equity of **MCG Capital Corporation:**

Name: GS Capital Partners 2000, L.P.
Address: c/o Goldman, Sachs & Co.
85 Broad Street -- 10th Floor
New York, NY 10004
Citizenship: U.S.

Principal Business: Holding Company

% Equity: 12%

The following entity is deemed under FCC rules to directly own or control ten percent (10%) or more of the equity of **GS Capital Partners 2000, L.P.**:

Name: GS Advisors 2000, L.L.C.

Address: c/o Goldman, Sachs & Co.
85 Broad Street -- 10th Floor
New York, NY 10004

Citizenship: U.S.

Principal Business: Investment Partnership

% Equity: General Partner

The following entity owns ten percent (10%) or more of the equity of **GS Advisors 2000, L.L.C.**:

Name: The Goldman Sachs Group, Inc.

Address: c/o Goldman, Sachs & Co.
85 Broad Street -- 10th Floor
New York, NY 10004

Citizenship: U.S.

Principal Business: Holding Company

% Equity: 100%

The Goldman Sachs Group, Inc. is a publicly and widely held corporation traded on the New York Stock Exchange under the ticker symbol GS. Upon information and belief, no entity owns more than 10% of the equity of The Goldman Sachs Group, Inc.

Other than the foregoing, following the transactions, no other person or entities will directly or indirectly own ten percent (10%) or more of the equity of Applicants. Applicants have no interlocking directors with foreign carriers.

- (i) Applicants certify that none of Applicants is a foreign carrier or affiliated with a foreign carrier.
- (j) Applicants certify that they do not seek to provide international telecommunications services to any destination country where:
 - (1) BridgeCom or TruCom is a foreign carrier in that country; or
 - (2) BridgeCom or TruCom controls a foreign carrier in that country; or
 - (3) Any entity that owns more than 25 percent of BridgeCom or TruCom, or that controls BridgeCom or TruCom, controls a foreign carrier in that country; or
 - (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of BridgeCom or TruCom

and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.

- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable.
- (n) Applicants certify that they have not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.
- (o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a. *See also* 47 C.F.R. §§ 1.2001-1.2003.
- (p) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. §63.12(a)-(b). In particular, Section 63.12(c)(1) is inapplicable because none of the Applicants are or are affiliated with any foreign carriers and none of the scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12(c), apply.

VI. INFORMATION REQUIRED BY SECTION 63.04

In lieu of an attachment, pursuant to Commission rule 63.04(b), 47 C.F.R. § 63.04(b)

Applicants submit the following information in support of their request for domestic Section 214 authority in order to address the requirements set forth in Commission Rule 63.04(a)(6)-(12):

- (a)(6) A description of the proposed Transactions is set forth in **Section III.** above.
- (a)(7) BridgeCom and TruCom provide resold and facilities-based competitive interexchange and local exchange services primarily in the New York/New Jersey area. BridgeCom also provides interexchange services in Arkansas, California, Connecticut, Florida, Georgia, Illinois, Iowa, Kansas, Maine, Massachusetts, Michigan, Ohio, Pennsylvania, Rhode Island, Texas and Washington.

- (a)(8) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 of the Commission's Rules, 47 C.F.R. §63.03. In particular, with respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transactions, (1) Applicants and their affiliates (as defined in Section 3(1) of the Communications Act – "Affiliates") combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) Applicants and their Affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of which are parties to the proposed transactions) and; (3) none of the Applicants or their Affiliates are dominant with respect to any service.
- (a)(9) Through this Application, Applicants seek authority with respect to both international and domestic Section 214 authorizations (this Application is being separately and concurrently filed with respect to both types of authorities in compliance with Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)). No other applications are being filed with the Commission with respect to this transaction.
- (a)(10) Prompt completion of the proposed transactions is critical to ensuring that Applicants can obtain the benefits described in the foregoing application. Accordingly, Applicants respectfully request that the Commission approve this Application expeditiously in order to allow Applicants to consummate the proposed transactions as soon as possible.
- (a)(11) Not applicable.
- (a)(12) A statement showing how grant of the application will serve the public interest, convenience and necessity is provided in **Section IV.** above.

VII. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application. Indeed, failure to grant it would directly harm the public interest. In light of the exigent circumstances and, in particular the need to ensure continuity of service to existing customers, Applicants respectfully request expedited treatment to permit Applicants to consummate the proposed Transactions as soon as possible.

Respectfully submitted,



Charles Hunter
BridgeCom International, Inc.
TruCom Corporation
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Counsel for BridgeCom International, Inc.
and TruCom Corporation

Counsel for MCG Capital Corporation

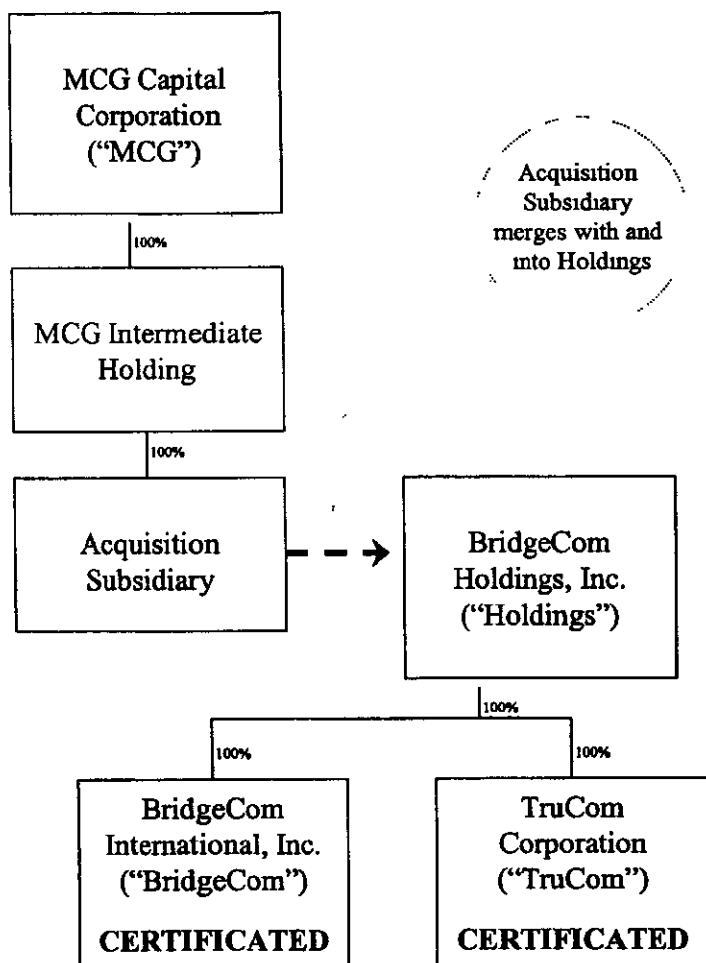
Dated: December 9, 2003

Exhibit A

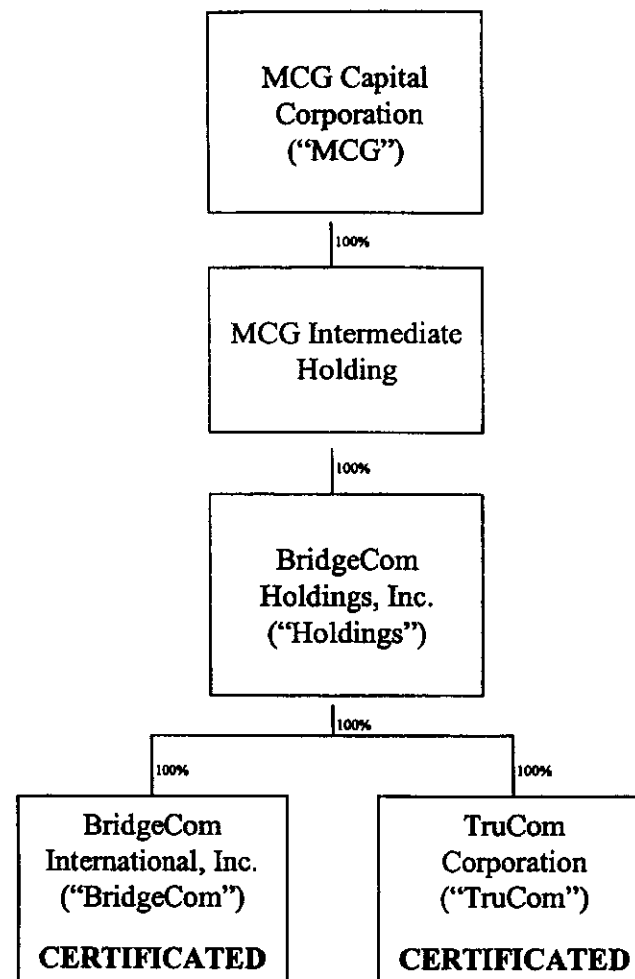
Illustrative Chart

Illustrative Chart

Pre-Transaction



Post-Transaction



Verifications

CERTIFICATION OF APPLICANT


On behalf of MCG Capital Corporation, I hereby certify upon penalty of perjury that I am Managing Director; V.P. of MCG Capital Corporation and that the statements in the foregoing Federal Communications Commission Section 214 Application are true, complete, and correct to the best of my knowledge and are made in good faith.

By:

Name:

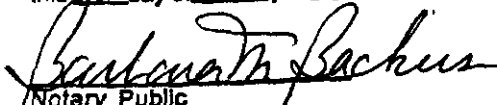
Title:

Date:


John Patton
Managing Director, V.P.
11-25-03

DISTRICT OF COLUMBIA:

Signed and sworn before me
this 25 day of Nov., 2003


Notary Public

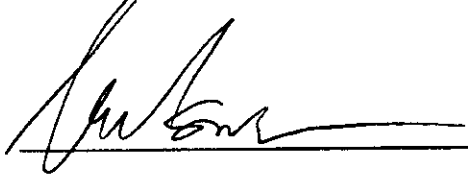
BARBARA M. BACKUS
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires July 14, 2007

FCC

CERTIFICATION OF APPLICANT

On behalf of BridgeCom International, Inc., I hereby certify upon penalty of perjury that I am President and Chief Executive Officer of BridgeCom International, Inc. and that the statements in the foregoing Federal Communications Commission Section 214 Application are true, complete, and correct to the best of my knowledge and are made in good faith.

By:



Name:

Michael Weprin

Title:

President and Chief Executive
Officer

Date:

December 4, 2003